

**Business Opportunity
for
Bicycle Rentals, Limited Retail and
Food Service
on the South Rim of**

Grand Canyon National Park

CC-GRCA034-12

Department of the Interior

National Park Service

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SUMMARY OF THE BUSINESS OPPORTUNITY

This Summary provides a synopsis of the key elements of the National Park Service Draft Concession Contract CC-GRCA034-12 (Draft Contract) for operation of Bicycle Rentals and Food Service on the South Rim of Grand Canyon National Park. In the event of any inconsistency between the terms of the Draft Contract and this Summary, the Draft Contract will control.

Nature of the Business and Services Provided

The Business Opportunity section of this Prospectus describes the commercial visitor services required within the Draft Contract. The following visitor services are required:

- Bicycle rental
- Guided bicycle tours
- Food service
- Shuttle services for clients
- Wheelchair rentals
- Limited Retail

The following visitor services are authorized, but not required. The National Park Service will consider proposals and approve them on a case-by-case basis after the Draft Contract is awarded:

- Bicycle repair

Annual Total Gross Receipts

A Commercial Use Authorization (CUA) holder has provided bicycle rentals, bicycle tours and shuttle services only during the 2010 and 2011 summer seasons. Gross receipts are as follows for these services:

Exhibit 1 Annual Gross Receipts for Bicycle Rentals, Tours & Shuttle Service

	2010
Total Gross Receipts	\$144,213

Minimum Fee

The minimum franchise fee will be ten percent (10%) of gross receipts.



Term of Draft Contract

The Draft Contract is for a term of ten years beginning on its effective date, estimated as March 1, 2012.

The effective date of the Draft Contract is subject to change prior to contract award if determined necessary by the National Park Service. The expiration date of the Draft Contract will be changed to continue the same term length from any adjustment to the effective date.

Estimated Required Initial Investment

The estimated required initial investment for this operation is \$245,000. Initial capital investment for this business opportunity includes the purchase of personal property, expenditures on start-up activities and creation of a working capital reserve.

- **Personal Property - \$147,278**
The Park estimates a new concessioner would need 100 bicycles to operate the concession contract and would need to purchase equipment for the food and beverage services.
- **Inventory - \$52,455**
Inventory for the retail and food and beverage services is projected at \$52,455.
- **Start-Up Costs and Working Capital - \$45,281**
Prior to, and immediately following inception of the concession contract, the incoming concessioner will need to make a one-time investment in activities to begin operations. These activities include: personnel recruitment and hiring; training; systems implementation; legal and accounting support services; and marketing and advertising expenses. Start-up costs are estimated at \$16,620. Working Capital is estimated at \$28,661.

Offerors should not rely on NPS estimates in preparing and submitting proposals in response to this Prospectus



Introduction

The National Park Service (Service) seeks proposals for a new concession operation located at the South Rim of Grand Canyon National Park (Area). This Prospectus describes in general terms the existing business operations and the future business opportunities for the facilities and services required by the Service. Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the attached Draft Concession Contract CC-GRCA034-12 (Draft Contract), including its exhibits, to determine the full scope of a future Concessioner's responsibilities under the Draft Contract. The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (PL 105-391) as implemented by the Service in 36 C.F.R. Part 51.



Source: National Park Service

This Prospectus is issued under the authority of 36 C.F.R. Part 51. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. In the event of any inconsistency between the terms of the Draft Contract and this Prospectus, the Draft Contract will control. Copies of PL 105-391 and 36 C.F.R. Part 51 are included as Appendices to this Prospectus.

The term "Concessioner" as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. Bicycle rental services have been provided at this location for the years 2010-2011 under a Commercial Use Authorization (CUA) issued on a trial basis. The CUA will not be reissued once the Draft Contract is implemented.



The National Park Service and Its Mission

America's National Park Service was created by Congress to "...conserve the scenery and the natural and historic objects and the wild life therein, and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations." (16 USC 1) Additionally, the Congress has declared that the National Parks should be, "...preserved and managed for the benefit and inspiration of all the people of the United States." (16 USC 1a-1) The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage.

To learn more about the National Park Service, visit our website at www.nps.gov. This site includes information about our mission, our policies and individual parks.

GRAND CANYON NATIONAL PARK

The Area includes approximately 1,218,375 acres of public land on the southern end of the Colorado Plateau in Arizona. It is a globally significant natural resource containing scenic vistas known throughout the world. The Grand Canyon averages a depth of 4,000 feet for its entire length of 277 miles. It is 6,000 feet deep at its deepest point and 15 miles wide at its widest point.

On January 11, 1908, President Theodore Roosevelt reserved land in the Grand Canyon of Arizona as the Grand Canyon National Monument by presidential proclamation. In his proclamation, President Roosevelt stated that the Grand Canyon of Arizona "is an object of unusual scientific interest, being the greatest eroded canyon in the United States, and it appears that the public interest would be promoted by reserving it as a National Monument" (Proclamation No. 794).

On February 26, 1919, Congress dedicated and set apart Grand Canyon National Park "as a public park for the benefit and enjoyment of the people" (Grand Canyon National Park Establishment Act, 40 Stat 1175).

Over the years, the Area has been enlarged and its boundaries revised, most recently on January 3, 1975, when Congress recognized "that the entire Grand Canyon, from the mouth of the Paria River to the Grand Wash Cliffs, including tributary side canyons and surrounding plateaus, is a natural feature of national and international significance." (Grand Canyon National Park Enlargement Act, Public Law 93-620) In this act, Congress also recognized the need for "further protection and interpretation of the Grand Canyon in accordance with its true significance."

These legislative statements, in addition to the National Park Service Organic Act, as amended, effectively provide the foundation for Area management. Management seeks to protect the natural and cultural resources of the Area, while providing for "the benefit and enjoyment of the people" through resource-based interpretive programs and appropriate public and concession facilities.

The Service clarified the Area mission through the following goals:

- To preserve and protect its natural and cultural resources and ecological processes, as well as its scenic, aesthetic, and scientific values.



- To provide opportunities for visitors to experience and understand the environmental interrelationships, resources, and values of the Grand Canyon without impairing these resources.

Grand Canyon National Park is nationally and internationally significant for the following reasons:¹

World Heritage Site: The Grand Canyon is recognized as a place of universal value, containing superlative natural and cultural features that should be preserved as the heritage of all people. The Grand Canyon was designated as a world heritage site on October 26, 1979.

Natural Resource/Natural Ecosystem Processes: The great biological diversity of the Area includes examples of five of the seven life zones and elements of three of the four types of deserts in North America. The Area serves as an ecological refuge, with relatively undisturbed remnants of dwindling ecosystems. As stated in its establishing legislation, the Grand Canyon is the “greatest eroded canyon in the United States.”

Natural Resources/Research: Six research natural areas have been designated in the Area (8,845 acres total) to provide opportunities for nondestructive research in areas relatively uninfluenced by humans. The Area is known for nationally significant research in a number of fields (e.g., geology, geomorphology, paleontology, ecology, air quality, aircraft effects, and noise).

Cultural Resources: There are eleven federally recognized tribes traditionally associated with the Grand Canyon, several of whom consider the canyon their original homeland and place of origin. These include the Havasupai Tribe, Hopi Tribe, Hualapai Tribe, Kaibab Band of Paiute Indians, Las Vegas Paiute Tribe, Moapa Band of Paiute Indians, Navajo Nation, Paiute Indian Tribe of Utah, San Juan Southern Paiute Tribe, Yavapai-Apache Nation, and Pueblo of Zuni.

Scenic Qualities and Values: The Grand Canyon has internationally recognized scenic vistas, qualities, and values. The great variety of scenery includes forests, deserts, canyons, plains, plateaus, volcanic features, streams and waterfalls. The Grand Canyon’s class 1 air quality is extremely important to its scenic views.

Natural Sounds and Solitude: The Grand Canyon is recognized as a place with unusual and noticeable natural sounds, and direct access to numerous opportunities for solitude.

Spiritual/Inspirational Qualities: All of the natural, cultural, and scenic qualities of the Grand Canyon, coupled with the canyon’s vast size, give rise to inspirational/spiritual values and a sense of timelessness.

Recreational Opportunities: A wide diversity of resource-based recreational opportunities and support services help visitors experience, enjoy, and appreciate the Area. The vast majority of the Area provides opportunities for wilderness-type experiences. The Bright Angel Trail, Kaibab Trail, and River Trail are designated national recreation trails as part of the national trails system. The Colorado River, as it flows through the Area, provides opportunities for one of the world’s premier river experiences, including one of the longest stretches of navigable white water on earth.

¹ The points of significance are summaries of longer descriptions provided in the “General Management Plan,” Grand Canyon National Park, Arizona, August 1995.



Exhibit 2

Grand Canyon Area Map



Source: National Park Service

MARKET AREA OVERVIEW

Arizona Tourism Market

Arizona is a premier destination for outdoor adventure and tourism. Its attractions include the Grand Canyon, Lake Mead, Glen Canyon, and Lake Havasu. Tourists visit Arizona year-round, with a relatively even distribution of visitation across each month.²

² <http://www.azot.gov/research-and-statistics/annual>



For 2010, the Arizona Office of Tourism reported that tourism accounted directly for about \$17.7 billion in direct spending. This economic impact derives from 32.2 million overnight visitors and is the driver for 152,200 jobs.

Overnight leisure visitors to Arizona are generally highly educated, affluent individuals with an average age of 45.6 years, and an average household income of \$82,700.

Local Market Area: Coconino County, Arizona

Northern Arizona's Coconino County is home to a wide array of natural and cultural attractions for visitors. Of all of these attractions, the Grand Canyon is the most well known.

Covering over 18,600 square miles, Coconino County is the second largest county in the lower 48 United States, but it is one of the most sparsely populated. Only 13% of Coconino County is owned by individuals or corporations. Indian reservations cover 46% of the land, the U.S. Forest Service and Bureau of Land Management combine to control 32%, and other public entities, such as the Service, control 9% of the land.³

Resident Demographics

In 2010, Coconino County's population was 134,421⁴. Almost half of Coconino County's population (65,870 residents) lives in the county seat, Flagstaff, home to Northern Arizona University and the majority of the county's labor force. Flagstaff is approximately 75 miles from the South Rim. Many visitors pass through Flagstaff on their way to or from Grand Canyon, and a considerable portion of them use Flagstaff as their primary destination, visiting Grand Canyon as part of a vacation that encompasses other nearby attractions as well.

Another nearby town is Williams, approximately 50 miles from the South Rim. Williams had a population of 3,023 in 2010⁵. Its Old West feeling and historic association with Route 66 attract visitors. Williams is the terminus for Grand Canyon's concessioner, Grand Canyon Railway, which has its support operations there.

Page, Arizona is about 100 miles from Grand Canyon's east gate (Desert View). Its population in 2010 was 7,247. The largest single attraction for Page tourists is Lake Powell, but many visitors pass through Page as they make the Grand Circle of national parks and monuments, which includes Grand Canyon.

Cameron, Arizona, approximately 25 miles from Grand Canyon's east gate (Desert View) has a large lodge and trading post.

Tusayan, Arizona, is the closest community to this business opportunity, seven miles south of the South Rim on Highway 64. Its population in 2010 was 558. Tusayan has a host of services, including numerous restaurants, fast food chains and coffee shops. Its small airport acts as a base for airplane tours arriving from Las Vegas, as well as thriving helicopter tour businesses.

³ <http://www.azcommerce.com/Home>

⁴ <http://factfinder2.census.gov>

⁵ www.workforce.az.gov, 2010



Arizona's minimum wage is \$7.35 per hour for non-tip earners.⁶ In 2009, the median hourly wage rate in Coconino County was \$13.46.⁷ The three largest employment sectors in Coconino County are Government, Leisure and Hospitality, and Trade, respectively.⁸ Coconino County's tourism market is highly seasonal. On average, for example, hotels and motels generate nearly four times the revenue per available room in July than they do in January.

Visitor Access

Many visitors to the South Rim pass through the communities of Flagstaff or Williams, Arizona. More information regarding the business climate of these communities is available at <http://www.flagstaffchamber.com/> and <http://www.williamschamber.com>.

In 2010, approximately 83 percent of the Area's South Rim visitors entered by car or bus through Tusayan and 14 percent through Desert View. Three percent of the Area's South Rim visitors entered by rail.⁹

THE SOUTH RIM OF THE GRAND CANYON

Visitor Profile

Grand Canyon National Park is the single most visited tourist attraction in Arizona. The South Rim receives approximately 92 percent of Grand Canyon visitation. In 2003, a visitor use study conducted for the Service by the University of Idaho revealed that 91 percent of South Rim visitors claimed the United States as their place of residence, while 9 percent of visitors indicated residence in a foreign country. Exhibit 3 provides a breakdown of South Rim visitation by place of residence.

Exhibit 3
South Rim Visitors by Place of Residence

Non-United States	
England	3%
Other Countries	6%
United States	
California	13%
Arizona	7%
Texas	7%

⁶ U.S. Department of Labor, 2010 <http://www.dol.gov/whd/minwage/america.htm>

⁷ <http://data.workforce.az.gov>, 2010

⁸ Azcommerce.com community profiles, 2009

⁹ www.nature.nps.gov/stats/



Florida	6%
Other States	55%

Of South Rim visitors, 74 percent visited the Area as one of several destinations, 22 percent visited it as their primary destination, and 4 percent reported that their Area visit was not a planned destination. Seventy-six percent of Area visitors stayed overnight, either in the Area, in the gateway community of Tusayan, or in the surrounding local area (including Flagstaff, Williams, and Cameron). Xanterra at the South Rim, LLC, the largest Area concessioner, reports that its hotel guests stay an average of 1.5 nights. 92 percent of visitor groups that reported spending money included two or more adults. 84 percent of visitor groups that reported spending money had children with them.

The median visitor group's expenditure during a visit to the Area and the surrounding area was \$330. The estimated average per capita expenditure was \$162. Exhibit 4 displays the breakdown of expenditures. Retail spending is included in "all other purchases."

Exhibit 4

Expenditures in Grand Canyon National Park and Surrounding Area

Department	Share
Hotels, motels, cabins, etc.	29%
Camping fees and charges	2%
Guide fees, charges	12%
Restaurants and bars	18%
Groceries, take-out food	4%
Gas and oil	5%
Other transportation	9%
Admissions, recreation, etc.	8%
All other purchases	12%
Donations	1%

Source: National Park Service

VISITING THE SOUTH RIM

Most visitors arrive at the South Rim of the Grand Canyon (South Rim) by private automobile, on tour buses, or by scenic rail tour.



Exhibit 5 summarizes Area annual visitation from 2000 through 2010. On average approximately 4,300,000 people visit Grand Canyon National Park each year, about 92 percent of whom visit the South Rim.

Exhibit 6 breaks down 2010 visitation by month. Visitation peaked in 2010 during the months of July and August, with approximately 638,000 visitors per month. Although the South Rim is open year round, visitation slows in the winter months due to frequently inclement weather.

Exhibit 5
Grand Canyon National Park
Total Annual Visitation

Grand Canyon Total Annual Visitation		South Rim Visitation
2000	4,460,228	4,008,857
2001	4,104,809	3,543,475
2002	4,001,974	3,457,077
2003	4,124,900	3,583,676
2004	4,326,234	3,790,284
2005	4,401,522	4,077,391
2006	4,279,439	4,053,282
2007	4,413,667	4,149,065
2008	4,425,314	4,105,202
2009	4,348,068	4,033,771
2010	4,388,386	4,077,325

Source: Public Use Statistics Office
(<http://www.nature.nps.gov/stats/>)

Exhibit 6
Grand Canyon National Park
Visitation by month

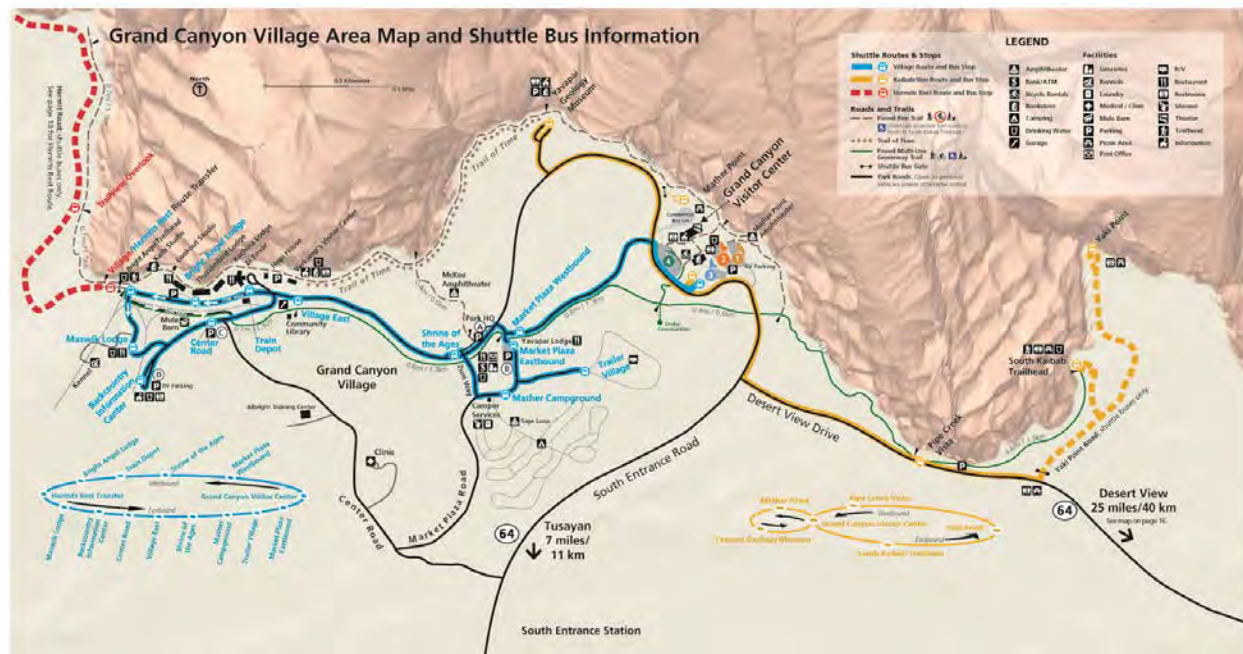
Monthly Visitation to Grand Canyon South Rim 2010	
January	120,409
February	124,573
March	312,903
April	375,136
May	399,037
June	555,941
July	647,636
August	629,167
September	477,863
October	359,758
November	219,474
December	166,489

Source: Public Use Statistics Office
(<http://www.nature.nps.gov/stats/>)



Exhibit 7

Map of the “Grand Canyon Village” Area of the South Rim



Source: National Park Service

CURRENT AREA OPERATIONS

Area Community

The Service considers concessioners and other business operators within the South Rim developed Area as important community members whose actions have dramatic and important effects upon visitors and Area resources. As such, concessioners must understand and embrace the Service's mission, participate in the Area community, and work to achieve Area objectives while also striving to fulfill their own organizational and business goals.

The Concessioner will participate in community efforts, such as wildland fire prevention, solid waste reduction, and evacuation plans for emergencies.

Concession Operations

This business opportunity will be one of several concession operations providing services to visitors to the South Rim. All Area Concessioners meet the Service's goal of providing commercial services that are necessary and appropriate to enhance visitors' enjoyment of the Area, while ensuring the protection of the Area's resources and values.

Visitor services occur throughout the Area, but many are concentrated near the Concession Facilities assigned to this operation. This area, called Grand Canyon Visitor Center, includes



the Park's primary visitor center, shuttle bus hub, access to a number of pedestrian and multi-use trails, and a sizeable bookstore operated by the Area's cooperating association.

Following is a brief description of each of the Area's concessioners, with Internet links to each concessioner's website.

South Rim

Xanterra South Rim, L.L.C. provides overnight lodging, food service, tours, transportation, gift shops, public showers, laundry, kennel, service station, and mule operations on the South Rim and at Phantom Ranch.

See <http://www.xanterra.com/properties/grandcanyonnationalparkslodges.htm>

DNC Parks & Resorts at Grand Canyon, Inc. operates two general stores. The Canyon Village Marketplace in the Grand Canyon Village includes groceries, camping supplies, souvenirs, and a deli. The Desert View General Store (25 miles from the South Rim Village) provides groceries, camping supplies, and souvenirs.

See <http://www.delawarenorth.com/Destinations/GrandCanyon.asp>

Grand Canyon Railway, Inc. operates a scenic railway tour from Williams, Arizona to the historic village on the South Rim.

See <http://www.thetrain.com>

Grand Canyon Association, although not a concessioner, sells books and interpretive merchandise in support of the Area's interpretive programs under a non-profit cooperating agreement with the Service.

See www.grandcanyon.org

Other Areas of Grand Canyon National Park

Grand Canyon North Rim, L.L.C., a Forever Resort, provides overnight lodging, food service, and gift shops on the North Rim. Although it is only ten air miles from the Grand Canyon Village, it is a 215-mile drive away.

See <http://grandcanyonlodgenorth.com/>

Grand Canyon Trail Rides-North Rim provides guided mule and horse rides on and from the North Rim.

See http://www.canyonrides.com/grand_canyon_rides.html

Sixteen concessioners provide guided river running trips on the Colorado River.

See <http://www.gcroa.org/>

Over 400 other operators provide bus and van tours, guided backpacking, guided day hikes, outfitting, and horseback rides under commercial use authorizations.



COMPETITIVE ENVIRONMENT

In addition to the bicycle rentals and guided bicycle tours authorized under the Draft Contract, several entities offer guided bicycle tours to the South Rim of the Grand Canyon under CUAs issued by the Service. Each of these CUA holders is authorized only to provide services to groups established outside of the Area, and none of them is authorized to rent bicycles within the Area. None of them have facilities within 50 miles of the Park boundary, nor are there any other bicycle rental facilities located within 50 miles of the Park boundary.

Food service is provided at a number of places along the South Rim, including the following:

- Xanterra at the South Rim, L.L.C., operates eight food service locations along the South Rim.

Exhibit 8

Concession Services provided by Xanterra in Grand Canyon National Park

Location	Seats	Meals Served	Type of Dining
El Tovar Hotel	250	B,L,D*	Fine Dining
Arizona Room	120	L,D	Restaurant
Bright Angel Dining	120	B,L,D	Full Service Restaurant
Bright Angel Fountain	0	Snacks	Limited Snack Bar
Maswik Cafeteria	395	B,L,D	Cafeteria
Yavapai Cafeteria	475	B,L,D	Cafeteria
Desert View Trading Post	30	B,L,D	Snack Bar
Hermits Rest	0	Snacks	Limited Snack Bar

▪ B = Breakfast, L = Lunch, and D = Dinner

- DNC Parks & Resorts at Grand Canyon, Inc. operates food service at two locations:

Exhibit 9

Concession Services provided by DNA Parks & Resorts in Grand Canyon National Park

Location	Seats	Meals Served	Type of Dining
Market Plaza	53	B,L,D	Cafeteria/deli/grocery store
Desert View	0	Snacks	Grocery store

▪ B = Breakfast, L = Lunch, and D = Dinner



RIGHT OF PREFERENCE

The Director has determined that this Draft Contract is for services not previously authorized under a concession contract, and that there is no Preferred Offeror. This solicitation for commercial services is fully competitive. All interested parties must apply and submit a responsive proposal in response to this Prospectus.

HISTORICAL FINANCIAL DATA

The current CUA holder has provided limited financial information regarding its bicycle rental and tour services during the 2010 season. Note that it started in May of 2010, operating for only a portion of the year. Its annual gross receipts are as follows:

Exhibit 10
Annual Gross Receipts for Bicycle Rentals, Tours & Shuttle Service

	2010
Total Gross Receipts	\$144,213

Visitor use data by department for the CUA holder in 2010 was as follows:

Exhibit 11
2010 Bicycle Rentals, Tours & Shuttle Service Customers

	2010 Customers
Adults	5,376
Hourly	1,420
Half-day	2,246
Full-day	429
Children	1,273
Hourly	392
Half-day	786
Full-day	95

The Proposal Package requires Offerors to develop financial projections based upon the business to be operated. Offerors should be appropriately cautious in the use of historical information. The Service will not provide financial predictions; therefore, Offerors are responsible for producing their own pro forma financial statements and relying upon their own financial predictions.



FUTURE CONCESSION OPERATION

The Grand Canyon National Park 1995 General Management Plan called for the availability of bicycle rental on the South Rim, as well as the development of a number of facilities in the area of Mather Point, a popular Grand Canyon viewpoint.

During the decade after 1995, the Service developed a visitor center and improved roads, paths, restrooms and non-auto travel corridors in the Mather Point area. Many visitors approaching the primary developed area of the South Rim stop here for their first view of the Grand Canyon, and spend some time planning the rest of their visit. Increasingly, visitors use this location as a base for their entire Grand Canyon visit, using shuttle buses to circulate through other parts of the South Rim, as well as to access hiking trails.

Initially, there were no commercial visitor services provided at this location, except for a sizeable bookstore run by the Park's cooperating association. It soon became apparent that some limited food service was necessary for park visitors, who were newly arrived at the Rim after a significant drive, and who might plan to take a walk or hike from this area. The Service experimented with vending machines as well as a snack table where visitors could purchase pre-packaged candy and salty snacks. While appreciated by many visitors, these services were not adequate to meet the type and level of demand.

The Park's 2008 South Rim Visitor Transportation Plan Environmental Assessment (Transportation EA) found that the Area should "provide greater visitor access and enhanced visitor services at Canyon View Information Plaza, including a theater, food items, and bicycle rentals."¹⁰ (Canyon View Information Plaza has since been renamed the Mather Point Visitor Center.)

Food service is appropriate for visitors using this area, and is necessary to ensure the safety of hikers using this location as their point of embarkation. The NPS "Healthy Parks, Healthy People" program¹¹, which encourages an active lifestyle, has given further impetus to the support for bicycle rental here.

In 2010, Bright Angel Bicycles, Inc. began conducting a bicycle rental service under a CUA, using mobile facilities set up very near the site proposed for this Concession. The success of this operation has led to the Service's determination that a concession contract for these services should be issued. This building will be constructed over the winter of 2011-2012.

TERM AND EFFECTIVE DATE OF DRAFT CONTRACT

This Draft Contract is for a term of ten (10) years beginning on its effective date, estimated as March 1, 2012. The effective date of the Draft Contract is subject to change prior to contract award if determined necessary by the Service.

¹⁰ <http://www.nps.gov/grca/parkmgmt/trans.htm>

¹¹ http://www.nps.gov/public_health/hp/hphp.htm





REQUIRED VISITOR SERVICES

The Draft Contract requires the Concessioner to provide the following visitor services:

- Bicycle rentals
- Guided bicycle tours
- Food service
- Shuttle services for clients
- Wheelchair rental
- Limited retail

The Concessioner will provide bicycle rentals, tours and shuttle services on a daily basis, from approximately April 1st to October 31st, with such services authorized during other seasons, depending on the weather. The Service will work with the Concessioner to determine opening and closing dates each year. Bicycles will include some that provide access for disabled visitors such as tandem bikes, tricycles, etc.

Routes authorized at the beginning of the contract are shown on the map in Exhibit A of the Operating Plan.

The Concessioner will provide guided bicycle tours for visitors along authorized routes. Rides will include interpretation of the area.

Shuttle services for bicycle riders will permit users to embark on a “one-way” trip along authorized routes. It also will provide easy access to the Hermit Road or other authorized destinations



Food service, which will be provided year-round, will include hot and cold beverages, as well as “grab-and-go” foods such as pre-packaged sandwiches, wraps, snacks and other hiker-friendly foods. All food preparation must be performed off-site in a commercial facility. During the first year of operation, if the concession facilities are not complete, the Concessioner will provide packaged snacks and cold drinks in a manner that does not require access to on-site refrigeration or cooking facilities.

Retail will be limited to those items listed in the operating plan, including a single logo-design t-shirt, hats, logo-design mugs and logo-design beverage containers, as well as items useful in repair or maintenance of bicycles.

Wheelchair rental will enhance visitor experience, as a complement to the Park’s accessibility program, which provides bus service, accessible trails and programs designed for visitors with mobility needs.

AUTHORIZED SERVICES

In addition to the required services, the Draft Contract authorizes the Concessioner to provide the following visitor service:

- Bicycle repair for the public.

RATES

The Concessioner’s approved rates for services are primarily based on comparison with like services provided by the private sector, under similar circumstances and in the same general geographic region. The Superintendent must approve all rates in advance.

Bicycle rental, shuttle and tour rates charged in 2011 were as shown in Exhibits 13-15 below. These will be the initially approved bicycle rental and tour rates at the beginning of the contract.

Exhibit 13 2011 Rates for Bicycle Rentals at the South Rim

	Adults	Child under 17	Trailer
1 hour	\$10	\$7	\$6
½ day (4 hours)	\$25	\$15	\$10
Full Day (8 hours)	\$35	\$25	\$12
Multi Day	\$30	\$20	\$15
24 Hours	\$45	\$35	\$15

- Rates for bicycle rentals include use of a bicycle, helmet, riding vest and strap.

Exhibit 14 2011 Rates for Shuttle Service at the South Rim

	Adults	Child under 17
Round Trip	\$9	\$6
One Way	\$6	\$4



Exhibit 15
2011 Rates for Bicycle Tours at the South Rim

	Adults	Child under 17
Bicycle Tours	\$45	\$35

NOTE: Proposals must include the Offeror's proposed rates for food service.

INITIAL INVESTMENT

Equipment, Supplies, Inventory and Working Capital. The Concessioner under the Draft Contract must have sufficient equipment, supplies, inventory and cash at the commencement of the contract to initiate operations. The Service estimates that this investment will be approximately \$245,000.

This investment will include personal property to support the bike rental operations, as well as furnishings and equipment to operate the food service.

Offerors are asked to estimate the appropriate amount of these initial investments in their proposals, and show how they were developed.

CONCESSION FACILITIES

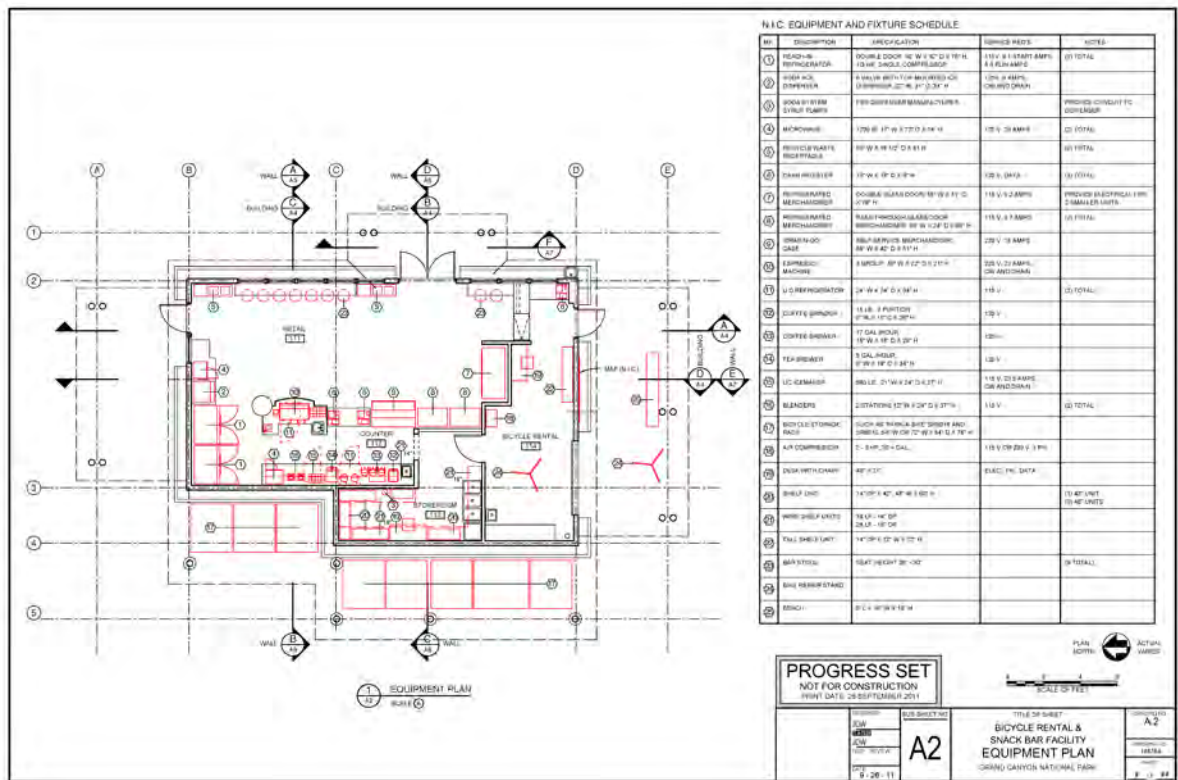
The Concessioner will be assigned lands and facilities in the Area necessary for the operation. Exhibit H to the Draft Contract, which is part of this Prospectus, describes the buildings and land assigned. The Concession Facilities include the following:

- One approximately 1,100 square foot building to be constructed in the Mather Point area. Although Exhibit 12 indicates possible placement of furnishings, the building will include only built-in fixtures such as sinks.
- Two trailer sites, each adequately sized for a single-wide house trailer, are available for the use of the concessioner for housing at the inception of the Contract. The concessioner must provide its own non-permanent employee housing facilities, in compliance with the Park's housing plan.



Exhibit 12

Drawing of Proposed Concessions Facilities at the South Rim



The Concessioner will be required to maintain the Concession Facilities in a manner acceptable to the Service. Specific operating and maintenance requirements are detailed in the Operating and Maintenance Plans (see Exhibits A and E of the Draft Contract, respectively). The Draft Contract assigns the Concessioner the responsibility for general preventive maintenance and emergency repairs. The Concessioner will keep assigned areas free of litter, debris and garbage.

No Concession Facilities Improvement Program is included in the Draft Contract.

UTILITIES

The Service will provide water and sewer service to the Concessioner on a cost reimbursable basis. Information relating to current Service-provided utility rates can be found as an Appendix 18 to the Prospectus. The Concessioner must obtain other utilities from outside providers.

FRANCHISE FEE

The minimum franchise under the Draft Contract is ten percent (10%) of annual gross receipts.

SITE VISIT



Offerors are encouraged to visit the area to become familiar with physical conditions and limitations involved and become acquainted with the details requisite to operating these types of services. A site visit will be scheduled for the date noted on the cover of the Prospectus.

Offerors planning to attend the site visit should contact:

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